



Important Update – PPP “Good Faith” Certification

Last week, we shared an update stating that the SBA had set a “Safe Harbor” deadline of Thursday, May 14, 2020. This Safe Harbor deadline allowed businesses to return PPP loan proceeds if they felt that they did not appropriately certify for the loan using the current PPP loan guidelines.

This morning, the US Treasury posted a new FAQ (#46) to the U.S. Treasury website that explains how the SBA will review borrowers’ good faith certification.

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>

This FAQ is helpful, especially for businesses trying to decide whether they should return PPP loan funds by May 14, 2020.

A key statement from the FAQ is shown below:

“Any borrower that, together with its affiliates received PPP loans with an original principal amount of less than \$2 million will be deemed to have made the required certification concerning the necessity of the loan request in good faith.”

We expect this FAQ to be made official in the near future by its inclusion in an Interim Final Rule published by the SBA.

If you have questions concerning this update or any PPP matters, feel free to reach out to your primary contact at Heinold Banwart. We are still anticipating additional guidance from the Treasury/SBA related to PPP loan forgiveness and will share future updates as appropriate.